

MONTANA MINING ASSOCIATION

Testimony in support of HJ 8

(A Resolution in Opposition to the Forest Jobs and Recreation Act)

Intro – Name and Client.

Like most people who grew up in Montana, I was exposed to Montana history several times in a formal educational setting. I recall having Montana history classes at least three times, in the 7th grade, high school and college. At that time in my life, I was not the most serious of students, but remember thinking the teachers sure talked a lot about mining. My favorite part was the stories about the rival miners of Daly and Clark fighting each other with pick axes in the tunnels under Butte.

And perhaps to prove that my entire educational experience was not wasted, I can now say I'm pretty sure that mining played a key and colorful role in the history of Montana. Our State's motto is "Oro y Plata", "Gold and Silver". It is indicative of the relation between mining and the "Treasure State." I ask you, what says "Montana" more than "Butte, the Mining City"?

The Montana Mining Association would respectfully submit that mining is still a vital industry in Montana. Mining provides basic jobs that have a ripple effect throughout the economy. What is mining? In one sense, mining is a lot of folks going to work carrying lunch boxes and earning good wages that support their families, pay their taxes, put their children through school, buy new cars and trucks, keep food on the table and cover the mortgage. In another sense, Mining means state and federal income taxes as well as property and gross proceeds taxes. Mines are major taxpayers in the counties where they operate. Please note that Montana is third in the nation in the percentage of persons employed in the mining industry, individual miner income and GDP from mining.

I have brought with me some MMA bumper stickers with the phrase "Montana Mining – Promoting Jobs and Economic Benefit." Please feel free to keep as many as you would like.

We believe there is a great opportunity for mining in the future. The world's population is expected to increase by between 9 and 11 billion people in the next several decades. There will be an increased demand for the metals and minerals found in Montana to supply the needs of existing and emerging industries. That's a fact. Whether it's good or bad, it's also a fact the world is moving towards a green economy. Wind powered electric generators and solar collection panels and almost every other technological marvel that move us toward that green economy have critical components made out of metals and in particular, what are called "rare earth metals." Without the minerals from which these metals are derived, in other words, without mining, the green revolution will not happen. That's a fact.

One of the biggest green technological changes in my lifetime has been the catalytic converter. Now installed in every new vehicle, the catalytic converter is universally hailed as a triumph in the war against air pollution. The key component of the catalytic converter is platinum. The only active platinum

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operation in North America is the Stillwater Complex, with two mines near Columbus and Big Timber. The Stillwater Mining Company employs nearly 1,650 people and is the largest industrial employer in the state. Think about it: the largest industrial employer in the state supplies the key material for the most successful green technology so far developed. I would submit to you that these are green jobs.

The good news is that Montana has the minerals to fuel the economic engine of our state and supply the needs of a growing global economy. The bad news is we have to make tough decisions. As citizens and moreover as legislators, we need to answer the question of: Where are we going to allow mining to take place? We believe there is great support for accessing ore bodies in an environmentally responsible manner for the benefit of all Montanans. In the most recent Montana Chamber of Commerce Survey, conducted in 2011, 73% of Montanans believe Montana should encourage mining.

Mr. Chairman, Members of the committee, I wish I could stand before you today and say that Senator Tester's wilderness bill is, as its proponents will no doubt tell you, a finely crafted compromise between the environmental community and the natural resource industry. Insofar as the mining industry is included in the term, "natural resource industry" we disagree.

The fact of the matter is Senator Tester's bill designates some 622,897 acres (After hearing all sorts of figures, I added them up) as wilderness. This designation would effectively lock up all this acreage from mineral development. I am not a geologist or mining engineer so I will leave the detailed testimony to others. I can generalize and tell you there is considerable mineral potential in the Montana areas which will put into wilderness. That's a fact. I can also tell you that little or no analysis of the mineral potential has been taken account in preparing the Wilderness Bill.

Senator tester's bill also designates other large chunks of land as restoration areas. I do not know how many acres are designated as restoration area, but have heard between 522,000 and 698,000. I didn't add these up, so, let's be conservative and say it's more than half a million. What we find significant about this part of the bill is that the areas designated for "restoration" would result in road closures. Many of these roads were created to reach minesites. Closing them results in making it more difficult to access and explore near historic mining locales. I will tell you, and I believe the geologists will also tell you, the best places to find new ore deposits are near historic minesites.

I wish I could stand before you today and tell you the mining industry was included in the effort to craft Senator Tester's bill and our concerns are addressed in way that benefits all Montanans. We were not asked for our opinion in preparing the bill and we most assuredly do not believe it benefits all Montanans.

In our estimation, Senator Tester's bill is a step in the wrong direction. We do not believe it is good public policy for Montana. We do not believe it represents the will of most Montanans. We would ask you, on behalf of the Mining Association as well as on behalf of the overwhelming majority of Montanans who favor mineral development, to give Rep. White's measure a "Do Pass" endorsement.